

## Cost to California's Families

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**Formal and Informal Community Care Costs for People  
with Alzheimer's Disease 55 Years of Age and Older: 2008,  
2015, 2030**



**Total Cost of Caring of Institutional Individuals with  
Alzheimer's Disease 55 Years of Age and Older: 2008, 2015, 2030**



**Image:**

All Californians will absorb the emerging crisis of caring for Californians living with Alzheimer's disease, but families shoulder a majority of the responsibility of caring for individuals living with Alzheimer's disease through the delivery of informal, or unpaid, care. The value of informal care is enormous, and its replacement by formal service providers would be extremely costly. Estimates of the economic value of informal caregiving provide a way to quantify this enormous societal

contribution by answering the question: "If informal caregivers were not available, what would it cost to substitute formal services for the care provided?"

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- The total cost of caring for community-resident and institutionalized individuals 55 years and older living with Alzheimer's disease in California will increase from \$53.2 billion to \$104 billion. This near doubling in cost parallels the doubling in the number of people 55 years of age and older who will be living with Alzheimer's disease, largely due to the aging of the baby boomers.
- Family members' labor will contribute almost three-quarters of the total cost of care for community-resident and institutionalized individuals living with Alzheimer's disease.
- In the next 20 years, the total costs of caring for people with Alzheimer's disease in California who live in the community will nearly double, from \$50.5 billion in 2008 to \$98.8 billion in 2030. With families, or informal care mechanisms, shouldering the majority of the costs.
- A similar increase will occur for individuals living in institutions, such as skilled nursing facilities, from \$2.7 billion in 2008 to \$5.2 billion in 2030. However, compared to community-resident individuals, the majority of costs for institutionalized individuals with Alzheimer's disease are due to skilled nursing facility expenditures.

Given the projected increases in the number of Californians living with Alzheimer's disease, the economic impact of the disease in the future will be substantial in terms of formal costs alone. Since a high proportion of costs for institutional care are borne by the federal and state governments, the costs to taxpayers will be high. The impact on families will be even more dramatic, since the majority of care for individuals is provided for through informal sources, typically the family.

Although informal care costs represent an imputed value rather than an actual dollar expenditure, if unpaid caregivers were not available, caregiving services would probably be purchased from paid providers, or else people living with Alzheimer's disease now cared for in the community would be placed in institutions such as skilled nursing facilities. Smaller family size, coupled with the increasing labor force participation of those who provide most of the care—women— will result in fewer available informal caregivers for people with Alzheimer's disease in the future. Therefore, more of these imputed costs may become actual expenditures.

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### Links:

[1] <http://www.alz.org/CAdata/>

[2] <http://cadc.ucsf.edu/cadc/emergingcrisis/cabusineses>

[3] <http://cadc.ucsf.edu/cadc/emergingcrisis>